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1966

FIFTY-SECOND ANNUAL REPORT

THE MONONGAHELA RAILWAY COMPANY

FOR THE YEAR ENDED DECEMBER 31, 1966

Office of the Secretary
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Philadelphia, Pa.

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THE MONONGAHELA RAILWAY COMPANY

DIRECTORS

David C. Bevan	Philadelphia, Pa.
G. M. Smith	Pittsburgh, Pa.
Hewitt Biaett	Baltimore, Md.
Walter R. Grant	New York, N.Y.
M. C. Mulligan	Baltimore, Md.
Curtis D. Buford	Pittsburgh, Pa.

OFFICERS

President	G. M. Smith	Pittsburgh, Pa.
Vice-President	Hewitt Biaett	Baltimore, Md.
Vice-President	Curtis D. Buford	Pittsburgh, Pa.
Secretary	Bayard H. Roberts	Philadelphia, Pa.
Treasurer	W. R. Gerstnecker	Philadelphia, Pa.
Comptroller	W. S. Cook	Philadelphia, Pa.
General Counsel	John B. Prizer	Philadelphia, Pa.
Real Estate Agent	S. K. Harbison	Pittsburgh, Pa.
Manager, Freight Claims	W. D. Hamilton	Philadelphia, Pa.
Chief Engineer	J. J. Eash	Pittsburgh, Pa.
Superintendent	A. J. Molyneaux	Brownsville, Pa.
Chief Mechanical Officer	W. F. Kascal	Pittsburgh, Pa.
Supervisor of Freight Transportation	A. J. Yuhas	Brownsville, Pa.
Director of Personnel	W. J. Petrie	Pittsburgh, Pa.
Manager, Purchases & Stores	C. E. Le Seur	McKees Rocks, Pa.

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FIFTY-SECOND ANNUAL REPORT

THE MONONGAHELA RAILWAY COMPANY

PITTSBURGH, PA., MARCH 23, 1967

TO THE STOCKHOLDERS:

THE BOARD OF DIRECTORS SUBMITS HEREWITH ITS REPORT FOR THE YEAR ENDED DECEMBER 31, 1966.

G. M. SMITH
PRESIDENT

INCOME STATEMENT	YEAR 1966	COMPARISON WITH YEAR 1965 INCREASE OR DECREASE	
RAILWAY OPERATING REVENUES (FREIGHT	$5,437,872	I	$137,125
(SWITCHING	1,199	D	135
(DEMURRAGE	22,364	I	11,483
(RENTS OF BUILDINGS AND OTHER PROPERTY	28,066	I	3,053
(ALL OTHER	1,676	I	2,335
TOTAL	5,491,177	I	153,861
RAILWAY OPERATING EXPENSES (MAINTENANCE OF WAY AND STRUCTURES	741,351	D	50,523
(MAINTENANCE OF EQUIPMENT	534,044	D	10,493
(TRAFFIC	11,934	D	481
(TRANSPORTATION	1,681,796	I	41,523
(GENERAL	237,124	I	48,216
TOTAL	3,206,249	I	28,242
NET REVENUE FROM RAILWAY OPERATIONS	2,284,928	I	125,619
TAX ACCRUALS (OTHER RAILWAY TAXES	40,334	D	31,132
(UNEMPLOYMENT INSURANCE TAXES	53,940	D	3,494
(RAILROAD RETIREMENT TAXES	137,971	I	13,487
TOTAL	232,245	D	21,139
RAILWAY OPERATING INCOME	2,052,683	I	146,758
HIRE OF EQUIPMENT - DEBIT BALANCE	1,245,765	D	112,962
JOINT FACILITY RENTS - DEBIT BALANCE	50,127	I	17,819
	1,295,892	D	95,143
NET RAILWAY OPERATING INCOME	756,791	I	241,901
NON-OPERATING INCOME (MISCELLANEOUS RENT INCOME	23,062	I	3,058
(INTEREST INCOME	42,399	I	22,147
(PROFIT FROM SALE OF PROPERTY	1,901	D	2,399
(MISCELLANEOUS	3,711	D	235
TOTAL	71,073	I	22,571
TOTAL INCOME	827,864	I	264,472
FIXED CHARGES AND OTHER DEDUCTIONS (RENT FOR LEASED ROADS AND EQUIPMENT	168,624	D	2,036
(INTEREST ON FUNDED DEBT	403,694	I	150,995
(LOSS ON SALE OR RETIREMENT OF PROPERTY	3,300	D	4,740
(MISCELLANEOUS	3,230	I	2,527
TOTAL	578,848	I	146,746
NET INCOME	249,016	I	117,726

STATEMENT OF RETAINED INCOME

BALANCE, JANUARY 1, 1966	$10,197,268
ADD: NET INCOME FOR THE YEAR	249,016
BALANCE, DECEMBER 31, 1966	10,446,284

BALANCE SHEET

ASSETS

	December 31, 1966		Comparison with December 31, 1965 Increase or Decrease	
CURRENT ASSETS:				
Cash	$96,439		D	$371,259
Temporary cash investments	868,121		D	324,974
Accounts receivable	924,905		I	655,430
Materials and supplies	123,488		D	15,509
Miscellaneous	50,756		I	44,974
Total current assets		$2,063,709	D	11,338
SPECIAL FUNDS:				
Sinking fund			D	140
Insurance and other funds	2,800		D	200
Total special funds		2,800	D	340
PROPERTIES:				
Transportation property	26,158,143		D	138,032
Less: Accrued depreciation and amortization	3,711,061		I	111,277
Net transportation property	22,447,082		D	249,309
Miscellaneous physical property	413,720		D	1,698
Net properties		22,860,802	D	251,007
OTHER ASSETS AND DEFERRED CHARGES		66,980	I	44,112
TOTAL ASSETS		24,994,291	D	218,573

BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY

	December 31, 1966		Comparison with December 31, 1965 Increase or Decrease	
CURRENT LIABILITIES:				
Accounts payable	$577,732		D	$3,727
Interest payable	336		D	104,523
Taxes accrued	73,319		D	955
Other current liabilities	2,816		D	1,536
Total Current Liabilities		$654,203	D	110,741
LONG-TERM DEBT DUE WITHIN ONE YEAR:				
Equipment - Conditional Sale Agreements		39,956		
LONG-TERM DEBT DUE AFTER ONE YEAR:				
First Mortgage, 3¼% Bonds Series "B" due Feb. 1, 1966			D	7,677,000
Equipment - Conditional Sale Agreements			D	39,956
Amounts Payable to Affiliated Companies:				
Baltimore & Ohio Railroad Company $2,435,995				
Pennsylvania Railroad Company 2,435,995				
Pittsburgh & Lake Erie Railroad Co. 2,435,995	7,307,985		I	7,307,985
Total Long-Term Debt Due After One Year		7,307,985	D	408,971
RESERVES:				
Casualty and Other Reserves		48,500	I	48,500
OTHER LIABILITIES AND DEFERRED CREDITS:				
Other Liabilities	32,673		D	1,149
Unamortized Premium on Long-Term Debt			D	113
Deferred Credits	3,644		D	6,344
Accrued Depreciation-Leased Property	216,046		I	11,229
Total Other Liabilities and Deferred Credits		252,363	I	3,623
SHAREHOLDERS EQUITY:				
Capital Stock (124,900 shares, par value $50. per share)	6,245,000			
Retained Income	10,446,284		I	249,016
Total Shareholders' Equity		16,691,284	I	249,016
Total Liabilities and Shareholders' Equity		24,994,291	D	218,573

OPERATING EXPENSES

	Year 1966	Year 1965	Increase or Decrease	
MAINTENANCE OF WAY AND STRUCTURES				
Superintendence	$102,905	$93,379	I	$9,526
Roadway Maintenance	386,439	374,085	I	12,354
Maintaining Structures	34,400	21,008	I	13,392
Other Maintenance of Way Expenses	55,173	79,273	D	24,100
Maintaining Joint Tracks, Yards, Etc. - Debit	12,050	3,448	I	8,602
Maintaining Joint Tracks, Yards, Etc. - Credit	3,484	10,687	D	7,203
TOTAL, EXCLUDING DEPRECIATION AND RETIREMENTS	587,483	560,506	I	26,977
DEPRECIATION AND RETIREMENTS:				
Road Property - Depreciation	130,178	130,593	D	415
Retirements - Road	17,354	89,618	D	72,264
Dismantling Retired Road Property	6,336	11,157	D	4,821
Total	153,868	231,368	D	77,500
Total	741,351	791,874	D	50,523
MAINTENANCE OF EQUIPMENT				
Superintendence	41,893	45,715	D	3,822
Repairs to Shop & Power-Plant Machinery	1,311	2,581	D	1,270
Locomotive Repairs	219,494	209,449	I	10,045
Car Repairs	105,309	120,777	D	15,468
Other Equipment Repairs	8,465	9,077	D	612
Other Equipment Expenses	23,585	19,917	I	3,668
Joint Maintenance of Equipment Expenses - Debit	23,116	22,961	I	155
Joint Maintenance of Equipment Expenses - Credit	140	144	D	4
TOTAL, EXCLUDING DEPRECIATION AND RETIREMENTS	423,033	430,333	D	7,300
DEPRECIATION AND RETIREMENTS:				
Shop and Power-Plant Machinery - Depreciation	4,987	4,987		-
Dismantling Retired Equipment	-	3	D	3
Equipment - Depreciation	106,024	109,214	D	3,190
Total	111,011	114,204	D	3,193
Total	534,044	544,537	D	10,493
TRAFFIC				
Traffic Expenses	11,934	12,415	D	481
Total	11,934	12,415	D	481

OPERATING EXPENSES
(CONTINUED)

	YEAR 1966	YEAR 1965	INCREASE OR DECREASE	
TRANSPORTATION				
SUPERINTENDENCE AND DISPATCHING	$217,741	$248,128	D	$30,387
STATION SERVICE	36,804	39,172	D	2,368
YARD EMPLOYES	492,177	457,003	I	35,174
YARD SWITCHING FUEL	26,525	26,098	I	427
MISCELLANEOUS YARD EXPENSES	23,287	22,338	I	949
TRAIN EMPLOYES	417,307	406,437	I	10,870
TRAIN FUEL	109,795	108,774	I	1,021
OTHER TRAIN EXPENSES	139,263	149,574	D	10,311
INJURIES TO PERSONS	46,116	2,354	I	43,762
LOSS AND DAMAGE	887	5,625	D	4,738
OTHER CASUALTY EXPENSES	4,012	17,609	D	13,597
OTHER RAIL TRANSPORTATION EXPENSES	56,654	39,978	I	16,676
OPERATING JOINT YARDS AND TERMINALS - CREDIT	16,852	10,226	I	6,626
OPERATING JOINT TRACKS AND FACILITIES - DEBIT	128,152	127,502	I	650
OPERATING JOINT TRACKS AND FACILITIES - CREDIT	72	93	D	21
TOTAL	1,681,796	1,640,273	I	41,523
GENERAL				
ADMINISTRATION	73,453	72,235	I	1,218
OTHER GENERAL EXPENSES	163,353	116,365	I	46,988
GENERAL JOINT FACILITIES - DEBIT	381	324	I	57
GENERAL JOINT FACILITIES - CREDIT	63	16	I	47
TOTAL	237,124	188,908	I	48,216
RECAPITULATION				
MAINTENANCE OF WAY AND STRUCTURES	741,351	791,874	D	50,523
MAINTENANCE OF EQUIPMENT	534,044	544,537	D	10,493
TRAFFIC	11,934	12,415	D	481
TRANSPORTATION	1,681,796	1,640,273	I	41,523
GENERAL	237,124	188,908	I	48,216
TOTAL	3,206,249	3,178,007	I	28,242
OPERATING RATIO				
PERCENTAGE OF TOTAL OPERATING EXPENSES TO TOTAL OPERATING REVENUES:				
MAINTENANCE OF WAY AND STRUCTURES	13.50	14.84	D	1.34
MAINTENANCE OF EQUIPMENT	9.72	10.20	D	0.48
TRAFFIC	0.22	0.23	D	0.01
TRANSPORTATION	30.63	30.73	D	0.10
GENERAL	4.32	3.54	I	0.78
TOTAL OPERATING EXPENSES	58.39	59.54	D	1.15

REVENUE FREIGHT TRAFFIC BY MAJOR COMMODITY CLASSIFICATIONS

COMMODITY	YEAR 1966			
	TONS	PER CENT. OF TOTAL	GROSS REVENUE	PER CENT. OF TOTAL
FARM PRODUCTS	2,670	0.03	$2,614	0.05
FOREST PRODUCTS	12	-	11	-
MINERAL PRODUCTS:				
METALLIC ORES	2,760	0.03	2,029	0.04
COAL	8,529,935	95.77	5,180,116	94.48
NONMETALLIC MINERALS, EXCEPT FUELS	16,499	0.19	17,308	0.31
TOTAL	8,549,194	95.99	5,199,453	94.83
MANAFACTURES AND MISCELLANEOUS:				
FOOD AND KINDRED PRODUCTS	28,506	0.32	29,975	0.55
BASIC TEXTILES	39	-	40	-
LUMBER AND WOOD PRODUCTS, EXCEPT FURNITURE	7,331	0.08	8,074	0.15
FURNITURE AND FIXTURES	42	-	41	-
PULP, PAPER AND ALLIED PRODUCTS	2,540	0.03	2,891	0.05
PRINTED MATTER	54	-	60	-
CHEMICALS AND ALLIED PRODUCTS	3,138	0.04	3,250	0.06
PETROLEUM AND COAL PRODUCTS	1,096	0.01	1,098	0.02
STONE, CLAY AND GLASS PRODUCTS	13,361	0.15	14,173	0.26
COKE	247,141	2.77	167,486	3.05
OTHER PRIMARY METAL PRODUCTS	25,730	0.29	26,896	0.49
FABRICATED METAL PRODUCTS EXCEPT MACHINERY AND TRANSPORTATION	6,083	0.07	6,355	0.12
MACHINERY, EXCEPT ELECTRICAL	1,163	0.01	1,213	0.02
ELECTRICAL MACHINERY, EQUIPMENT AND SUPPLIES	3,189	0.04	3,553	0.07
TRANSPORTATION EQUIPMENT	620	0.01	641	0.01
WASTE AND SCRAP MATERIALS	13,816	0.15	13,895	0.25
MISCELLANEOUS FREIGHT SHIPMENTS	975	0.01	1,013	0.02
TOTAL	354,824	3.98	280,654	5.12
GRAND TOTAL, CARLOAD FREIGHT	8,906,700	100.00	5,482,732	100.00
ALL LESS CARLOAD FREIGHT	-	-	-	-
GRAND TOTAL, CARLOAD LESS CARLOAD FREIGHT	8,906,700	100.00	5,482,732	100.00

FREIGHT TRAFFIC STATISTICS

	Year 1966	Year 1965	Increase or Decrease	
Average miles of road operated (freight service)	168.45	168.45		-
Freight revenue	$5,437,872	$5,300,747	I	$137,125
Per cent. of total operating revenues	99.0	99.3	D	0.3
Tons carried (revenue freight)	8,906,700	8,482,905	I	423,795
Tons carried one mile (revenue freight)	515,628,039	455,694,274	I	59,933,765
Freight train miles	136,372	151,498	D	13,126
Loaded car miles	6,817,060	6,208,155	I	608,905
Empty car miles	6,431,843	6,337,566	I	94,277
Total car miles (including caboose)	13,387,281	12,697,227	I	690,054
Averages - Per Mile of Road				
Freight revenue	$32,282	$31,468	I	$814
Tons carried (revenue freight)	52,874	50,359	I	2,515
Tons carried one mile (revenue freight)	3,061,015	2,705,220	I	355,795
Freight Train miles	821	899	D	78
Averages - Per Train Mile				
Freight Train revenue	$39.31	$35.00	I	$4.31
Revenue ton miles	3,726	3,008	I	718
Loaded car miles	49.3	41.0	I	8.3
Empty car miles	46.5	41.8	I	4.7
Total car miles (including caboose)	96.7	83.8	I	12.9
Miscellaneous Averages				
Revenue per ton (cents)	61.1	62.5	D	1.4
Revenue per ton mile (cents)	1.054	1.163	D	0.109
Revenue ton miles per loaded car mile	75.6	73.4	I	2.2
Average miles each revenue ton was carried	57.9	53.7	I	4.2

LOCOMOTIVE UNIT MILES - FREIGHT

Road service	456,678	476,590	D	19,912
Train Switching	10,842	16,368	D	5,526
Yard Switching	113,064	116,766	D	3,702
Total	580,584	609,724	D	29,140

WORK SERVICE

Train Miles	2,808	5,677	D	2,869
Locomotive unit miles	2,808	5,794	D	2,986
Car Miles	18,840	35,036	D	16,196

EQUIPMENT OWNED - DECEMBER 31, 1966

	UNITS	BOOK VALUE	COMPARISON WITH 1965
LOCOMOTIVES			
SHIFTING - DIESEL-ELECTRIC	22	$2,426,102	D $109,583
FREIGHT-TRAIN CARS			
CABIN	18	92,671	.....
WORK EQUIPMENT	18	100,742	.....
MISCELLANEOUS EQUIPMENT		79,896	.....
TOTAL EQUIPMENT		$2,699,411	D $109,583

MILEAGE OF TRACKS OWNED AND OPERATED

	DECEMBER 31, 1966				
	MAIN		INDUS-	YARD &	
	1ST	2ND	TRIAL	SIDINGS	TOTAL
MONONGAHELA RAILWAY COMPANY:					
OWNED LINE OPERATED	125.69	10.05	3.36	62.60	201.70
LINE OPERATED UNDER CONTRACT	30.38	.....	2.43	6.94	39.75
LINE USED UNDER TRACKAGE RIGHTS	12.38	.....	....	0.94	13.32
TOTAL, DECEMBER 31, 1966	168.45	10.05	5.79	70.48	254.77
TOTAL, DECEMBER 31, 1965	168.45	10.05	5.80	71.05	255.35
INCREASE OR DECREASE	.....	.....	D 0.01	D 0.57	D 0.58